

» CYPRUS, THE ROLLS ROYCE OF CITIZENSHIP BY INVESTMENT PROGRAMS

Introduced in March 2014, the Cyprus citizenship by investment program has taken the second citizenship market by storm. It is the only direct EU citizenship program on the market, enabling high net worth individuals to acquire European citizenship in just 90 days with absolutely no obligation on their time and a very high approval rate. The key motivators for obtaining a second citizenship are personal freedom, privacy and security, which are more than fulfilled by the Cyprus program as applicants do not just acquire Cyprus citizenship but EU citizenship as well. EU citizenship gives the right of settlement in any of the 28 EU member states. It offers a lifetime guarantee to live and work in any EU country; by virtue of this citizenship you can for example study in England, work in Germany and settle in France! What's more Cyprus enjoys a very powerful passport enabling visa-free travel to 158 countries.

The program has no residency requirement whatsoever, no language or medical exams and very straightforward application criteria, it includes all dependent children up to age 28, and citizenship is passed on by descent. It is without doubt the best and simplest program on the mar-

ket for those fortunate enough to meet the investment requirement. The Cyprus program requires a real estate investment of €2.5M which has to be maintained for a period of 3 years. Although a considerable sum, it is a pure investment, which means that the funds will be fully recovered and there is also scope for capital appreciation should prime real estate be selected. It is a very attractive proposition considering the current real estate market potential and many clients have chosen to invest considerably more than the required amount due to the current market attractiveness. Like most of the world, the Cyprus real estate market is correcting itself following the global economic meltdown; however unlike most of the world, the Cyprus real estate market outlook is very positive. Several factors are influencing this growth forecast, the most notable of which is the discovery of vast oil and gas reserves in Cyprus' exclusive economic zone which has attracted major international firms including Noble, Eni Kogas, Total and Haliburton to the island. These are exciting times for the island as a shift is being made from exploration to exploitation and direct benefits of this sector are expected to be reaped by 2019, while indirect benefits are already being felt.



Another important factor when choosing a citizenship program is tax implications. It is important to note that non-resident Cypriot citizens are not subject to taxation on their worldwide income. In fact, Cyprus is one of the most favourable tax jurisdictions in the EU thus offers substantial tax advantages. The Cyprus citizenship program ticks all boxes; it enables total personal freedom and is also a business savvy strategy as well.



» CURRENCY EXCHANGE RATES FOR FIRST QUARTER OF 2015

During the first quarter of 2015 the British Pound has strengthened against the Euro mainly due to the pressures of a possible Greek exit from the single currency. British holiday makers are taking advantage of the high rates, which reached a maximum of 1.40 and now stabilises around 1.38 on a regular basis, by booking their summer vacations early and even getting in their currency exchange well in advance.

For those considering buying a holiday home here in Cyprus, now is a great time. There are huge potential savings to be made thanks to these favourable currency fluctuations. British holiday makers could see a saving of as much as £26,000 or 10.2% when buying a property for €260,000 at Pafilia's development called The Lighthouse, in comparison to the same time last year. (Based on current exchange rate of 1:1.38GBP and last year's exchange rate of 1:1.21GPB)

Other markets which are taking advantage include Chinese Yuan / Rminbi and US Dollars. Customers from these markets may be interested in the Cypriot Citizen by Investment Scheme and when considering a property at Minthis Hills, for the minimum investment in Real Estate of €2,500,000, they could see a saving of as much as 20% respectively from this time last year.



» PAFILIA IS THE BEST OF THE BEST IN HONGKONG

Pafila Property Developers recently won two prestigious awards in the Squarefoot.com.hk 'Best of the Best' awards for the categories, 'Best Overseas Property Developer – Cyprus' and 'Best Citizenship by Investment Program'.

The awards aim to recognise corporate businesses and individuals who have gone that extra mile in property related industries and celebrate the highest levels of achievement. This is the 6th consecutive year of the awards and through the years, the award has recognized over 100 corporate and individuals for their outstanding achievements.



» CYPRUS RANKS FAVOURABLY FOR HEALTH AND EDUCATION SYSTEM IN THE GLOBAL COMPETITIVENESS REPORT

In a recent report published for 2014 / 2015, Cyprus ranked 9th for the quality of its Health Care and Primary Education and 33 for the quality of its Higher Education system. In particular, the subjects of Maths and Science where best ranked in the Higher Education sub category for Cyprus at 10th out of 144.

The Global Competitiveness Report assesses the competitive landscape of 144 economies providing an insight into the key to their productivity and prosperity. It is currently the most comprehensive assessment worldwide and provides a platform between Governments, business and civil society about the economic prosperity and highlights actions for improvement.

The ranking system looks at 12 different pillars or factors of the economy and ranks each category and sub category within it and against the other 144 economies. Overall, Cyprus ranked 58 out of 144 which also take into account the countries GDP as well as factors such as Infrastructure, Innovation, Financial Market Development, Technological Readiness and Market Size.

To put this into perspective the UK was ranked 21st for Health and Primary Education (+12) and 19th (-14) for Education and Training. Considering the difference in population and GDP, the Cyprus ranking and country competitiveness is good news for the economy.

	Ranking / 144	Score	Distance from best
4th pillar: Health and primary education 1-7 (best)			
A. Health 1-7 (best)	27	6.9	
B. Primary education 1-7 (best)	9	6.2	
5th pillar: Higher education and training 1-7 (best)			
A. Quantity of education 1-7 (best)	59	5.4	
B. Quality of education 1-7 (best)	16	5.3	
C. On-the-job training 1-7 (best)	36	4.5	

» BANKS LOWER INTEREST RATES ADDING FURTHER OPTIMISM TO THE 2015 PROPERTY MARKET

During March the island's major financial institutions lowered their interest rates significantly by 2 per cent. This reduction means that new potential loan seekers will be encouraged to apply for new loans due to lower more affordable rates. It also means good news for existing customers who may see their repayments decrease and it will help with restructuring of non-performing loans.

By lowering the rates banks are also sending a clear message to the European banking sector that the Cyprus banks are now much healthier and are well within their recovery period. This is also a huge confidence boost for a property buyer where it has been suggested that the lower interest rates will inject an extra €300 million in market liquidity.



» THE CYPRUS BANKING SECTOR IS INSTILLING NEW CONFIDENCE IN THE ECONOMIC MARKET.

April saw Cyprus lifting all capital restrictions that were imposed on the island's banks two years ago.

President Nicos Anastasiades said "The full lifting of capital controls marks the full restoration of confidence in our banking system and the stabilisation of the economy," at the same time he announced a series of measures that aim to boost growth and create new jobs.

The President announced six key measures to revive the economy. These include lifting all restriction on capital transfers, launching public development projects and infrastructure worth €280 million, fast-tracking European Investment Bank lending, incentives to boost jobs, incentives to boost the construction and tourism sectors, and speeding up and transparency of the tender's process for public contracts, with harsh sanctions for those who break the rules.

Anastasiades said the Cabinet decided to speed up development projects worth €200 million within 2015 in the areas of environmental and town planning, sewerage and infrastructure, and road improvements.



» CYPRUS GAS AND OIL EXPLORATION CONTINUES WITH COMMITMENT UNTIL 2016

Delek Group recently published an annual report clarifying the importance of developing the Aphrodite reservoirs. Their main objective is to proceed and expand the use of natural gas within the domestic market and develop plans to invest and promote the sanctioning of the Aphrodite reservoir. A recent signed memorandum of understanding between Cyprus and Egypt, outlines that the company is responsible to proceed until May 2016 and should consider plans for floating production facilities and an off shore pipeline to deliver the gas. The estimated cost for these facilities is in the region of 3.5 billion to 4.5 billion USD.



Delek Group



» OPITO, THE OIL AND GAS INDUSTRY'S FOCAL POINT FOR SKILLS, TRAINING AND WORKFORCE DEVELOPMENT, LAUNCH ITS OPERATIONS IN CYPRUS.

In a reception held at the British High Commissioner's residence in Cyprus on 22nd April, OPITO International Chairman Gordon Ballard and Group Chief Executive Officer David Doig presented the role and activities of OPITO both internationally and in Cyprus.

In his welcome address the British High Commissioner, Ric Todd, said that such events are "a demonstration of the strong ties between the UK and Cyprus". We know, he continued, "that Cyprus is at the start of a very long journey in the hydrocarbon sector, and the UK with its long history and experience can help it develop the education and training tools that will provide a highly skilled sector".

OPITO already has a presence in Aberdeen, Dubai, Kuala Lumpur and Houston.



» BUDGET AIRLINES FAVOURING PAPHOS BY INCREASING THE NUMBER OF FLIGHTS AND ROUTES TO EUROPE

This year, over 76 different airlines will be flying in and out of Cyprus from luxury airlines such as Emirates or British Airways to budget airlines like Germanina Express, RyanAir and Jet2. Many of the budget lines have expanded adding new routes to/from Paphos whilst others have taken over the some of the existing Cyprus Airways routes.

For example Germania Express has added 5 new routes in March 2015 linking Paphos to the German towns of Berlin, Hamburg, Dusseldorf and Erfurt. In addition, to these new German routes, low cost Austrian airline NIKI will commence flights from Paphos to Vienna

twice a week. Paphos International Airport now operates around 172 flights per week with prices starting from as little as €19.99 (Ryanair) connecting Paphos with the rest of Europe and reaching far beyond.

The new lower pricing strategies and increase in budget airlines to Paphos could be thanks to a new Government incentive schemes from the Ministry of Communications and Works and the Hermes Airports – who is operator of both the Cypriot Airports. The new scheme aims to increase passenger and tourism traffic to Cyprus by;



- introduction of multiple new routes on a three year agreement
- encourage the development of new (single) routes
- development of increased winter traffic
- discounts on landing fees at the Cyprus airports
- development through a Growth Bonus Plan on a net traffic growth for existing routes, and
- marketing support for the promotion of Cyprus to the airlines wishing to proceed with further development of the offered services in Cyprus and furthermore providing an increase in passenger traffic

This is good news for Paphos but is especially good news for the consumers making it both easier and cheaper for them to come and enjoy Cyprus and all that it has to offer year round.

» PROPERTY MARKET UPDATE – EUROPE IS THE PLACE TO BE

According to a report published by Eurostat, house prices across the European Union remain stable and saw an increase by an average of 2.6% during 2014 and by 1.1% in the fourth quarter of 2014.

In addition, the Cyprus Department of Land and Survey's reported that the number of property transactions in Cyprus during March 2015 increased by 31 per cent compared to March 2014 and 39 per cent compared to February.

Sales increased in all districts except for Famagusta, where they recorded a 29% drop. Overall sales during the first quarter of 2015 are up 16% year-on-year.

This is the second highest level since the end of 2012 which show signs that consumer confidence is gradually returning to the Cyprus market and recovery from the 2012 banking crisis is well and truly under way. Property market experts interviewed by the Cyprus Business Mail said the increase in transactions resulted from factors, the drop in interest rates and a government scheme to boost property sales to foreigners.



» 2015 TOURIST SEASON OFF TO A GOOD START

Tourism market is showing encouraging signs for 2015 from major markets already with the UK and Germany, but also in smaller markets such as Scandinavia, Central Europe and the Arab Gulf. Indications are showing that holiday bookings from the UK are up almost 25% for the coming summer season which is due

mainly to a more attractive exchange rate and also an increase in flights and routes coming to the island.

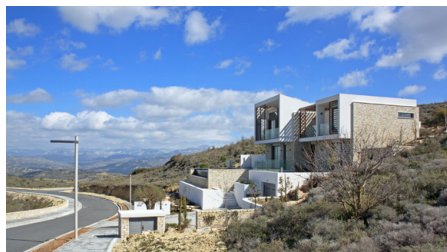
The UK is traditionally Cyprus's largest source of incoming tourists and British tourists make up 36 per cent of the 2.4 million arrivals last year. Tourists from Russia, whose economy is hurt by

a drop in revenue from energy exports as well as by the Western embargo on its financial and energy sector over its role in the Ukraine crisis, is Cyprus's second largest source and last year Russian tourists accounted for 26 per cent of total arrivals.



» BUILDING PROGRESS: MINTHIS HILLS

The first phase of Minthis Hills exclusive properties is almost complete and has been highly praised by both new property owners and the general public. With over 11 nationalities having already purchased a private residence at Minthis Hills, the resort is proving to have truly global appeal. The combination of incredible timeless architecture with an extraordinary nature setting and breath-taking views captures the hearts of all that visit. Currently the resort consists of 3, 4 and 5 bedroom villas or bungalows that are situated around the golf course, each one carefully designed positioned adding a new dimension to modern Mediterranean living.



» BUILDING PROGRESS: OASIS PARK

Oasis Park is an elegant Mediterranean development offering contemporary apartments and houses in beautifully landscaped grounds. Located in the heart of Kato Pafos, Oasis Park enjoys an exceptionally convenient location that places a wealth of amenities, attractions and experiences on your doorstep. The architecture has a distinctly Cypriot feel due to elements such as natural stone, terracotta roofs and large private terraces and gardens, which are ideal for enjoying al fresco Mediterranean living.



SPOTLIGHT FEATURE ON: **THE LIGHTHOUSE PROJECT**

The Lighthouse project is epitome of contemporary sea front living, just a pebble's throw away, or 150m from the sea, in Kato Paphos. This incredible location has the beach on its door step and borders the historic Pafos archeological park. All the town amenities are conveniently within easy walking distance including the tourist area with many cafés, bars, restaurants, supermarkets and shops as well as the New Kings Avenue shopping mall.

The elegant Mediterranean style design, perfectly integrates with the natural surroundings and centers on a large lagoon style swimming pool, the perfect place for relaxation. Stone paving, terracotta roofs, water features and courtyards lend a distinctly Cypriot feel to the development.

The on-site leisure facilities also include a fully-equipped private gym and sauna complete with changing facilities, enabling residents to maintain their fitness regime with ease. Dedicated play areas also provide entertainment for the little ones.

The development comprises apartments and townhouses with various floor plans to suit your individual lifestyle requirements. All are light and airy with a contemporary finish and some include provisions for whirlpool spas on verandas. The architect has utilised the plots gentle gradient to optimise the remarkable sea views available from individual properties. The project is almost complete, prices start from €260,000 (+VAT) and there is limited availability.



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